

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

RECEIVED
APR -4 2003
TECHNOLOGY CENTER 2800

**SUPPLEMENTAL INFORMATION
DISCLOSURE STATEMENT**

Docket Number:
12170/6

Application Number
09/809,025

Filing Date
March 16, 2001

Examiner
To be assigned

Art Unit
2812

Invention Title
**DIGITAL OPTIONS HAVING DEMAND-
BASED, ADJUSTABLE RETURNS, AND
TRADING EXCHANGE THEREFOR**

Inventor(s)
Jeffrey LANGE

Address to:
Commissioner for Patents
Washington D.C. 20231

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, Washington, D.C. 20231 on

Date: March 31, 2003
Signature: Dalia S. Grimberg
Dalia S. Grimberg (Reg. No. 47,611)

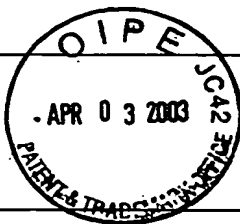
1. In accordance with the duty of disclosure under 37 C.F.R. § 1.56 and in conformance with the procedures of 37 C.F.R. §§ 1.97 and 1.98 and M.P.E.P. § 609, attorneys for Applicants hereby bring the attached references to the attention of the Examiner. These references are listed on the attached modified PTO Form No. 1449. It is respectfully requested that the information be expressly considered during the prosecution of this application, and that the references be made of record therein and appear among the "References Cited" on any patent to issue therefrom.
2. A copy of each patent, publication or other information listed on the modified PTO Form 1449 is enclosed.
3. It is believed that no fees are due in connection with this Information Disclosure Statement. However, should any fees be due, the Commissioner is authorized to charge Deposit Account No. 11-0600 for such fees. A duplicate copy of this communication is enclosed for charging purposes.

Dated: March 31, 2003

By: Dalia S. Grimberg
Dalia S. Grimberg (Reg. No. 47,611)

KENYON & KENYON
One Broadway
New York, N.Y. 10004
(212) 425-7200 (telephone)
(212) 425-5288 (facsimile)

RECEIVED
APR 10 2003
GROUP 3600



U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

RECEIVED

APR -4 2003

**SUPPLEMENTAL INFORMATION
DISCLOSURE STATEMENT**

Docket Number: **TECHNOLOGY CENTER 2800
12170/6**

Application Number
09/809,025

Filing Date
March 16, 2001

Examiner
To be assigned

Art Unit
2812

Invention Title
**DIGITAL OPTIONS HAVING DEMAND-
BASED, ADJUSTABLE RETURNS, AND
TRADING EXCHANGE THEREFOR**

Inventor(s)
Jeffrey LANGE

Address to:
Commissioner for Patents
Washington D.C. 20231

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, Washington, D.C. 20231 on
Date: March 31, 2003
Signature: Dalia S. Grimberg
Dalia S. Grimberg (Reg. No. 47,611)

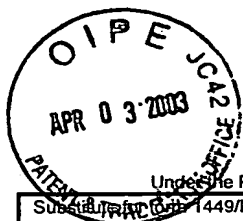
1. In accordance with the duty of disclosure under 37 C.F.R. § 1.56 and in conformance with the procedures of 37 C.F.R. §§ 1.97 and 1.98 and M.P.E.P. § 609, attorneys for Applicants hereby bring the attached references to the attention of the Examiner. These references are listed on the attached modified PTO Form No. 1449. It is respectfully requested that the information be expressly considered during the prosecution of this application, and that the references be made of record therein and appear among the "References Cited" on any patent to issue therefrom.
2. A copy of each patent, publication or other information listed on the modified PTO form 1449 is enclosed.
3. It is believed that no fees are due in connection with this Information Disclosure Statement. However, should any fees be due, the Commissioner is authorized to charge Deposit Account No. 11-0600 for such fees. A duplicate copy of this communication is enclosed for charging purposes.

Dated: March 31, 2003

By: Dalia S. Grimberg
Dalia S. Grimberg (Reg. No. 47,611)

KENYON & KENYON
One Broadway
New York, N.Y. 10004
(212) 425-7200 (telephone)
(212) 425-5288 (facsimile)

RECEIVED
APR 10 2003
GROUP 3600



PTO/SB/08A (02-03)

Approved for use through 04/30/2003. OMB 0651-0031

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

Substantive Fee 1449/PTO

Complete if Known**INFORMATION DISCLOSURE
STATEMENT BY APPLICANT**

(Use as many sheets as necessary)

Application Number	09/809,025
Filing Date	March 16, 2001
First Named Inventor	Jeffrey Lange
Art Unit	2812
Examiner Name	To be assigned
Attorney Docket Number	12170/6

Sheet 1 of 3

U.S. PATENT DOCUMENTS

Examiner Initials*	Cite No. ¹	Document Number Number - Kind Code ² (if known)	Publication Date MM-DD-YYYY	Name of Patenetee or Applicant of Cited Document	Pages, Columns, Lines, Where Relevant Passages or Relevant Figures Appear

FOREIGN PATENT DOCUMENTS

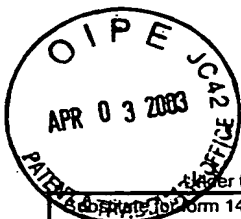
Examiner Initials	Cite No. ¹	Foreign Patent Document Country Code ³ - Number ⁴ - Kind Code ⁵ (if known)	Publication Date MM-DD-YYYY	Name of Patenetee or Applicant of Cited Document	Pages, Columns, Lines, Where Relevant Passages or Relevant Figures Appear	T ⁶

Examiner Signature	Date Considered
-----------------------	--------------------

* EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant. ¹ Applicant's unique citation designation number (optional). ² See Kids Codes of USPTO Patent Documents at www.uspto.gov or MPEP 901.04. ³ Enter Office that issued the document, by the two-letter code (WIPO Standard ST. 3). ⁴ For Japanese patent documents, the indication of the year of the reign of the Emperor must precede the serial number of the patent document. ⁵ Kind of document by the appropriate symbols as indicated on the document under WIP Standard ST. 16 if possible. ⁶ Applicant is to place a check mark here if English language Translation is attached. This collection of information is required by 37 CFR 1.97 and 1.98. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, Washington, DC 20231.

If you need assistance in completing the form, call 1-800-PTO-9199 (1-800-786-9199) and select option 2.

RECEIVED
APR 10 2003
GROUP 3600



PTO/SB/08A (02-03)

Approved for use through 04/30/2003. OMB 0651-0031
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

See Patent Form 1449/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(Use as many sheets as necessary)

C mplete if Known

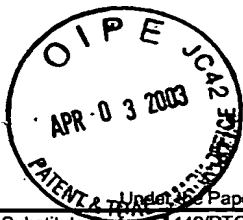
Application Number	09/809,025
Filing Date	March 16, 2001
First Named Inventor	Jeffrey Lange
Art Unit	2812
Examiner Name	To be assigned
Attorney Docket Number	12170/6

Sheet 2 12170/6 3

OTHER PRIOR ART – NON PATENT LITERATURE DOCUMENTS

Examiner Initials*	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ²
/	/	A. BRUCE, ET AL, "Investigating the Roots of the Favourite-Longshot Bias: An Analysis of Decision Making by Supply- and Demand-Side Agents in Parallel Betting Markets", <u>Journal of Behavioral Decision Making</u> , 2000, pp.413-430, vol. 13-no. 4, John Wiley & Sons, Ltd.	
/	/	A. BRUCE, ET AL, "Market Efficiency Analysis Requires a Sensitivity to Market Characteristics: Some Observations on a Recent Study of Betting Market Efficiency", <u>Applied Economics Letters</u> , 2000, pp. 199-202, no. 7, Taylor and Francis Ltd.	
/	/	K. BUSCHE, ET AL, "Decision Costs and Betting Market Efficiency", <u>Rationality and Society</u> , 2000, pp. 477-492, vol. 12-no. 4, Sage Publications, Thousand Oaks, CA.	
/	/	E. EISENBERG, "Consensus of Subjective Probabilities: The Pari-Mutuel Method", <u>Annals of Mathematical Statistics</u> , March 1959, pp.165-168, vol. 30-no. 1, Institute of Mathematical Statistics.	
/	/	D. HAUSCH, ET AL, <u>Efficiency of Racetrack Betting Markets</u> , 1994, Academic Press, New York, NY.	
/	/	J. INGERSOLL, JR., "Digital Contracts: Simple Tools for Pricing Complex Derivatives", <u>Journal of Business</u> , 2000, pp. 67-87, vol. 73-no. 1, The University of Chicago, Chicago, IL.	
/	/	J. JOHNSON, "An Empirical Study of the Impact of Complexity on Participation in Horserace Betting", <u>Journal of Gambling Studies</u> , Summer 1997, pp. 159-172, vol.13-no. 2, Human Sciences Press, Inc.	
/	/	G. OWEN, "Parimutuel as a System of Aggregation of Information", <u>Game Theoretical Applications to Economics and Operations Research</u> , 1997, pp. 183-195, Kluwer Academic Publishers, The Netherlands.	
/	/	D. PEEL, ET AL, "Product Bundling and a Rule of Thumb versus the Harville Formulae: Can Each Way Bets with UK Bookmakers Generate Abnormal Returns", <u>Applied Economics</u> , 2000, pp.1737-1744, no. 32, Taylor & Francis Ltd.	
/	/	JR. PHATARFOD, "Betting Strategies In Horse Races", <u>Asia-Pacific Journal of Operational Research</u> , 1999, pp. 87-98, no. 16.	
/	/	K. RHODA, ET AL, "Risk Preferences And Information Flows In Racetrack Betting Markets", <u>The Journal of Financial Research</u> , Fall 1999, pp. 265-285, vol. 22-no. 3.	
/	/	H. SHIN, "Measuring the Incidence of Insider Trading in a Market for State-Contingent Claims", <u>The Economic Journal</u> , September 1993, pp. 1141-1153, vol 103-no. 402, The Royal Economic Society.	
/	/	H. SHIN, "Optimal Betting Odds Against Insider Traders", <u>The Economic Journal</u> , September 1991, pp. 1179-1185, vol.101-no. 408, Royal Economic Socitey.	
/	/	D. TEK, ET AL, "Optimal Betting and Efficiency in Parimutuel Betting Markets with Information Costs", <u>The Economic Journal</u> , July 1996, pp. 1-18, vol. 106-no. 437, Blackwell Publishers, Malden, MA.	

RECEIVED
APR 10 2003
GROUP 3600



Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Use as many sheets as necessary)				Complete if Known	
				Application Number	09/809,025
				Filing Date	March 16, 2001
				First Named Inventor	Jeffrey Lange
				Art Unit	2812
				Examiner Name	To be assigned
Sheet	3	12170/6	3	Attorney Docket Number	12170/6

OTHER PRIOR ART – NON PATENT LITERATURE DOCUMENTS (CONTINUED)				
Examiner Initials*	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.		T ²
		L. WILLIAMS, "Information Efficiency In Betting Markets: A Survey", <u>Bulletin of Economic Research</u> , 1999, pp. 1-30, vol. 51-no. 1, Blackwell Publishers, Malden, MA.		

Examiner Signature		Date Considered	
-----------------------	--	--------------------	--

* EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant. ¹ Applicant's unique citation designation number (optional). ² Applicant is to place a check mark here if English language Translation is attached. This collection of information is required by 37 CFR 1.98. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 120 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, Washington, DC 20231.

If you need assistance in completing the form, call 1-800-PTO-9199 (1-800-786-9199) and select option 2.

RECEIVED
APR 10 2003
GROUP 3600